

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WALTER) APPEAL NO. 07-A-2626
BUECHLER from the decision of the Board of) FINAL DECISION
Equalization of Valley County for tax year 2007.) AND ORDER

RURAL RESIDENTIAL LAND APPEAL

THIS MATTER came for hearing on January 18, 2008 in Cascade, Idaho before Hearing Officer Travis Vanlith. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant Walter Buechler appeared. Assessor Karen Campbell, Chief Deputy Assessor Deedee Gossi, and Appraiser Julie Yates appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP17N03E038595.

The issue on appeal is the market value of an unimproved rural residential parcel.

The decision of the Valley County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$30,430. Appellant requests the land value be reduced accordingly to reflect a change in classification from "Rural Residential Tract" to "Other Rural Land."

The subject property is a narrow 2.96 acre unimproved parcel situated between two branches of Lake Fork Creek in Valley County with limited dry access. Subject consists of northern and southern portions connected by a narrow pathway just a few feet wide. A substantial portion of subject is flooded each spring. The County classified subject as a "Rural Residential Tract." Subject is one of four adjoining parcels in the area owned by Appellant. Appellant's three adjacent parcels are classified as "Other Rural Land."

Appellant asserted the three neighboring parcels classified as “Other Rural Land” had the same quality and characteristics as subject. Those lots were assessed at approximately \$5,149 per acre while subject was assessed at \$10,298 per acre. It was stated the land along Lake Fork Creek “flooded almost every year” and it was “absolutely unthinkable” a residence could be built on subject. Subject had limited “dry access,” as most of the property could only be accessed by crossing a canal or Lake Fork Creek. A map provided by Appellant showed subject situated between two branches of Lake Fork Creek with 117 feet of frontage along Lake Fork Road. The map also showed Appellant’s adjacent properties which the County classified as “Other Rural Land.”

The Assessor testified subject’s assessed value included “Influence Factors” for topography, plottage, and location. It was asserted subject’s assessed value before the “Influence Factor” adjustments was \$144,900, as calculated using the County’s base rate for “Fair” rural residential property in Valley County, or \$49,037 per acre. According to Respondent, the negative 50% topography adjustment accounted for subject’s “wet” condition and position between two branches of Lake Fork Creek. It was also asserted the negative 40% location adjustment accounted for the lack of dry access to subject. It was stated subject was categorized as a “Rural Residential Tract” because the lot was less than ten acres and was not used for a non-residential purpose.

Respondent provided data from two comparable sales to establish subject’s market value. Comparable Lot 1 was 29.94 acres and sold in July 2005 for \$525,000, or \$17,534 per acre. The County rated this lot as “Fair.” Comparable Lot 2 was 7.98 acres and sold in January 2006 for \$400,000, or \$50,157 per acre. The County rated this lot as “Average.” No adjustments were made to equalize these lots with subject. The topography, plottage, and location of these lots

was not discussed at hearing. For comparison, subject was 2.96 acres and was assessed at \$30,430, or \$10,298 per acre. Like Comparable Lot 1, subject was rated as "Fair."

Appellant did not challenge Respondent's comparable sales.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following:

Idaho Code provides "All property within the jurisdiction of this state, not expressly exempted, is subject to appraisal, assessment and property taxation." I.C. § 63-203. Idaho Code further directs that "rules promulgated by the State Tax Commission shall require each assessor to find market value for assessment purposes of all property." I.C. § 63-208(1). For taxation purposes, Idaho requires property be valued at market value. I.C. § 63-201(10). The Idaho Administrative Code defines market value and accepted appraisal procedures:

01. Market Value Definition. Market value is the most probable amount of United States dollars or equivalent for which a property would exchange hands between a knowledgeable and willing seller, under no compulsion to sell, and an informed, capable buyer, under no compulsion to buy, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

03. Appraisal Procedures. Market value for assessment purposes shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission.

IDAPA 35.01.03.217.01, .03, see also I.C. § 63-201(10) (emphasis added).

Respondent offered data from two comparable sales to establish subject's market value at \$30,430, or \$10,298 per acre. Appellant did not challenge these comparable sales or offer comparable sales to support a market value claim. Despite recognized differences, Respondent's comparable properties were similar to subject and adequate for valuation purposes. The Board finds Respondent's comparable sales were indicative of subject's market value.

A property valuation for taxation purposes, as determined by an assessor, is presumed correct and the taxpayer has the burden of proof to show an entitlement to relief. *Merris v. Ada County*, 100 Idaho 59, 64, 593 P.2d 394, 399 (1979). Idaho Code provides "a preponderance of evidence shall suffice to sustain the burden of proof." I.C. § 63-511(4).

The Board will grant relief where "the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer." *Roeder Holdings, L.L.C. v. Bd. of Equalization of Ada County*, 136 Idaho 809, 41 P.3d 237 (2001); *Merris*.

Appellant's case was based on a comparison of assessed values of parcels classified as "Other Rural Land" and subject, which was classified as a "Rural Residential Tract." Appellant claimed subject's assessment was excessive, but failed to demonstrate specific errors. Comparable sales provided by Respondent support subject's assessed value. Therefore, we find the assessment was not arbitrary and Appellant did not demonstrate error by a preponderance of the evidence. The decision of the Valley County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED FEBRUARY 26, 2008